NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

(A Component Unit of the City of North Miami, Florida)

Audited Financial Statements
For the Year Ended September 30, 2023

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
The North Miami Community Redevelopment Agency
North Miami, Florida

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of North Miami Community Redevelopment Agency (the "Agency"), a component unit of the City of North Miami, State of Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency 's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Agency as of September 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency 's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–11 and 24–25, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards,* we have also issued our report dated February X, 2024 on our consideration of the Agency's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC
Hollywood, Florida
February 29, 2024

Management's Discussion and Analysis

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

The Management's Discussion and Analysis (MD&A) of the North Miami Community Redevelopment Agency (the "Agency") is designed to provide an objective and easy to read analysis of the financial activities based on currently known facts, decisions, and conditions. The MD&A provides a broad overview and short and long-term analyses of the Agency's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the Agency's financial activity and identify changes in the Agency's financial position and its ability to address the next year's challenges. Finally, the MD&A will identify any material deviations from the approved budget.

On July 20, 2005, the Agency entered into an Inter-local Cooperation Agreement with the City of North Miami (the "City") and Miami-Dade County (the "County") which established the Agency's financing plan and became effective September 1, 2005. Based on the cooperative agreement, the City and County are required to collect tax increment revenues on behalf of the Agency. The tax increment revenues must be used in accordance with the approved budget and the North Miami Community Redevelopment Agency Redevelopment Plan ("NMCRA Plan") and the terms and conditions of the Inter-local Cooperation Agreement.

On December 6, 2016, the County approved a second amendment to the NMCRA Plan and a third amendment to the Inter-local Cooperation Agreement effective October 3, 2017, making several substantive changes of note. The amended Inter-local agreement calls for:

1) County Board representation on the CRA Board;
2) Agency to continue to refund the County's portion of the tax increment revenue collected from the geographic area west of Biscayne Boulevard;
3) Cap to be imposed on the County's portion of the tax increment contribution requirement of $1 million;
4) Cap to be imposed on the City of North Miami's portion of the tax increment contribution requirement for the geographic area east of Biscayne Boulevard to 50% of total tax increment revenue collected;
5) Project and redevelopment milestone measurements to be achieved by September 2024;
6) Requirement that 10% of annual tax increment collected be dedicated to housing efforts;
7) Extended the sunset date of the Agency to July 2044.

The Agency is an independent entity and a component unit of the City. The Agency has presented its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement ("GASB") No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*

The information contained in this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and required supplementary information provided.

FINANCIAL HIGHLIGHTS

- For the fiscal year 2023, the Agency's tax increment revenues, increased by $2,967,679 (23%) to $15,847,069 from the prior fiscal year 2022 total of $12,879,390. The amount of tax increment revenues refunded to the County and the City increased this year by $1,373,450 by 28% to $6,235,760 from last year's $4,862,310. This increase was due, in part to an extraordinary growth in homes values year over year on the West side of Biscayne Boulevard. The increases in tax increment revenues and the amounts refunded to taxing authorities are also a result of formula revisions in the new Inter-local Cooperation Agreement.

- The Agency began the fiscal year with a net position of $5,678,801.

- The Agency's total net revenues for the year ended September 30, 2023, were $10,011,353 while total expenses were $9,556,833 increasing net position by $454,520 compared to the prior year's increase of $692,527 a 40% decrease due primarily to current year increase in expenses outpacing current year increase in revenues. The 8% increase in total net position for fiscal 2023 was due primarily to the net result of the increase in tax increment revenues and the increase in operating expenses and also contribution of $278,006 for real properties received from the City.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

In addition, the Agency's report contains required supplementary information to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Agency's finances, in a manner comparable to a private-sector business. In addition, the government-wide statements are prepared using the accrual basis of accounting.

The *Statement of Net Position* presents all information on the Agency's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *Statement of Activities* presents information on how the Agency's net position changed during the fiscal year. All changes in revenues are reported promptly as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements present functions of the Agency that are principally supported by tax increment financing (governmental activities). The governmental activities of the Agency include general government activities and redevelopment projects. Thus, the Agency has no business-type activities.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund Financial Statements

The governmental fund financial statements provide readers with an overview of each fund and its related function in a traditional format. A fund is a grouping of related accounts that maintain control over resources segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The Agency utilized two governmental funds for the fiscal year ended September 30, 2023: the *General Fund*, which accounts for the operating activities of the Agency, and the *Special Revenue Fund,* from which all capital outlays for redevelopment projects, programs and activities are spent.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By comparing, readers may better understand the long-term impact of the Agency's near-term financing decisions. The "Balance Sheet – Governmental Funds" and "Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds" provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Budgetary comparison schedules, which constitute Required Supplementary Information pursuant to the Governmental Accounting Standards Board ("GASB"), are provided to demonstrate compliance with the budget.

The basic governmental funds financial statements can be found on pages 14 and 15 of this report. The reconciliations between the governmental funds and governmental activities are found at the bottom of each statement.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. These notes to the financial statements can be found beginning on page 16 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Agency's budget to actual results for the General Fund for fiscal year 2023. The required supplementary information can be found on page 24 of this report.

There were three amendments to the budget for the fiscal year ended September 30, 2023. The first was due to the City's millage rate change, the second was to correct the carryover amount, and the last one was the end of year amendment.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously noted, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by $6,097,636 at the close of fiscal year 2023. Approximately 89% of the Agency's total assets was composed of cash and cash equivalents balances.

	Year Ended September 30,		Change	
	2023	2022	$	Percent
Assets				
Current assets:				
Cash and cash equivalents	$ 6,296,018	$ 6,897,637	$ (601,619)	-9%
Due from other government	126,099	252,236	(126,137)	100%
Other assets	41,878	33,787	8,091	24%
Non-current assets:				
Capital assets, net	598,748	154,596	444,152	287%
Total assets	7,062,743	7,338,256	(275,513)	-4%
Liabilities				
Current liabilities	748,051	1,659,455	(911,404)	-55%
Noncurrent liabilities	181,371	-	181,371	100%
Total liabilities	929,422	1,659,455	(730,033)	-44%
Net Position	$ 6,133,321	$ 5,678,801	$ 454,520	8%

Governmental Activities

	Year Ended September 30,			
	2023	2022	Change	Percent
Revenues				
Tax increment revenues	$15,847,069	$ 12,879,390	$2,967,679	23%
Tax increment revenues refunded to taxing authorities from the Agency	(6,235,760)	(4,862,310)	(1,373,450)	28%
Tax increment revenues, net	9,611,309	8,017,080	1,594,229	20%
Other revenues	400,044	292,202	107,842	37%
Total revenues	10,011,353	8,309,282	1,702,071	20%
Expenses				
General government	2,667,505	2,328,599	338,906	15%
Community redevelopment projects	6,889,328	5,288,156	1,601,172	30%
Total expenses	9,556,833	7,616,755	1,940,078	25%
Change in net position	454,520	692,527	(238,007)	-34%
Net position, beginning	5,678,801	4,986,274	692,527	14%
Net position, ending	**$ 6,133,321**	**$ 5,678,801**	**$ 454,520**	**8%**

In 2023, the $6,235,760 tax increment revenues refunded to the taxing authorities comprised both County ($5,110,822) and City ($1,124,938). The Agency's net position increased by 8%. Key elements of the increase in 2023 were as follows:

- Total tax increment revenues increased by $2,967,679 or 23%, and the tax increment revenues refunded to taxing authorities from the Agency also increased by $1,373,450.

- Other revenues increase of $107,842 was due primarily to the net effect of the following:

  (a) Increase of $278,006 related to contribution of real properties transferred from the City in 2023.

  (b) Increase of $82,099 for interest earned on bank savings accounts.

  (c) Decrease of ($252,198) related to prior year receipt of overpayment of TIF from the City.

- Total expenses for fiscal year 2023 were $9,556,833 representing an increase of $1,940,078 or 25% over fiscal year 2022. There was an increase for general government of $338,906 or 15% due primarily to the completion of many COVID-19 relief programs than in the prior year. Community redevelopment projects also increased by $1,601,172 or 30% due primarily to the reactivation of projects initiated in the past but were delayed because of economic uncertainty surrounding the coronavirus pandemic. Nevertheless, the Agency provided $6,889,328 for redevelopment activities, specifically, the funding of infrastructure projects and other business rehabilitation grants.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Agency's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of fiscal year 2023, the Agency's governmental funds reported an ending fund balance of $5,715,944. Current year activities resulted in an increase of $191,739 in fund balance. The increase was due primarily to the recognition of lease in accordance with GASB 87.

GENERAL BUDGETARY HIGHLIGHTS

The following information is presented to assist the reader in comparing the original/final budget (adopted) and the actual results. There were a few variances between the final budget and actual results, as shown in the Budgetary Comparison Schedule.

	Budgeted Amounts			
	Original	Final	Actual results - budgetary basis	Variance with final budget - positive (negative)
Revenues:				
Tax increment revenue	$ 15,981,015	$ 15,847,069	$ 15,847,069	$ -
Return of tax increment revenues refunded to taxing authorities	-	-	(6,235,760)	(6,235,760)
Tax increment revenues, net	15,981,015	15,847,069	9,611,309	(6,235,760)
Interest and other	152,099	152,098	122,038	(30,060)
Carry over surplus	6,461,453	6,461,453	-	(6,461,453)
Total revenues	22,594,567	22,460,620	9,733,347	(12,727,273)
Expenditures:				
General government	3,010,759	2,643,213	2,652,277	(9,064)
Return of tax increment revenues refunded to taxing authorities	6,251,256	6,235,760	-	6,235,760
Capital outlay	-	-	215,918	(215,918)
Community redevelopment:				
Capital Projects Infrastructure	6,809,372	6,809,372	4,556,646	2,252,726
Capital Projects Grants	6,523,180	6,772,275	2,332,685	4,439,590
Total expenditures	22,594,567	22,460,620	9,757,526	12,703,094
Excess of revenues over expenditures	-	-	(24,179)	(24,179)
OTHER FINANCING SOURCES (USES)				
Lease liabilities issued	-	-	215,918	215,918
Total other financing sources (uses)	-	-	215,918	215,918
Net change in fund balances	$ -	$ -	**191,739**	
Fund balances - beginning			5,524,205	
Fund balances - ending			**$ 5,715,944**	

Revenues

The budgeted "tax increment revenue" in the amount of $15,847,069 was realized without variance.

The "return of tax increment revenue refunded to taxing authorities" shows a negative variance of ($6,235,760) due primarily to the planned expenditure being reclassified and shown as a contra-revenue for presentation purposes. This variance also shows up in the expenditures section for the same reason but as a positive variance.

The negative variance of ($30,061) for interest and other revenue was due primarily to under-estimated interest income as bank balances were not at the same level in the current year.

The negative variance for "carryover surplus" in the amount of ($6,461,453) represents funding for multi-year projects with prior years reserves that was not used in the current year. Specifically, this roll-over is appropriated for budget purposes but is not recorded as new revenue in the actual financials.

Expenditures

The net negative variance of ($9,064) for "general government" is due primarily to the net effect of following factors:

1. Positive variance of $111,863 for other administration expenses due to a decrease in budget allocation for overhead shared services.

2. Negative variance of approximately ($193,850) for increases in salaries. There were salary increases to all staff members. There was also a significant employment contract payout due to a mutual separation.

3. Net negative variance of ($38,202) related to a combination for marketing, publishing, advertising, due to changes in agency needs.

4. Negative variance of ($12,861) for travel and conferences due mainly to costs associated with meetings for the Capital Investment Projects and Public-Private Partnership (P3) efforts.

5. Positive variance of approximately $121,464 for legal and other professional services due to stalled consultancy services post COVD-19 pandemic.

6. The remaining negative variances of ($17,650) related printing and publishing and occupancy.

The net positive variance of $6,692,316 for "Community Redevelopment" related to multi-year infrastructure and grants projects ongoing within the CRA boundary. These projects were impacted in the previous years by the pandemic-related (COVID-19) and are expected to advance to completion within the statutorily required time.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2023, the Agency's net capital assets amounted to $598,748, showing a net increase of $228,234 over the previous year. The net increase mainly resulted from the recognition of a right-to-use building in accordance with GASB 87 and the recording of lands and building transferred from the City to the Agency.

	CAPITAL ASSETS - GOVERNMENTAL ACTIVITIES					
	2023		2022		Change	
Capital assets not being depreciated:						
Land	$ 219,354	*	$ 133,748		$ 85,606	
Total capital assets not being depreciated	219,354		133,748		85,606	
Capital assets being depreciated:	-					
Building - right-to-use	215,918		215,918	**	-	
Building and improvements	192,400	*	-		192,400	
Furniture and equipment	53,266		53,266		-	
Total capital assets being depreciated	461,584		269,184		192,400	
Less accumulated depreciation:						
Building - right-to-use	(39,862)		-		(39,862)	
Building and improvements	(4,810)		-		(4,810)	
Furniture and equipment	(37,518)		(32,418)		(5,100)	
Total accumulated depreciation	(82,190)		(32,418)		(49,772)	
Total capital assets being depreciated, net	379,394		236,766		142,628	
Capital assets, net	$ 598,748		$ 370,514		$ 228,234	

* Land and buildings transferred to the Agency from the City of North Miami

** Beginning balance was restated October 1, 2022, with the implementation of GASB 87, Leases.

Additional information on the Agency's capital assets are disclosed in **NOTE 3** on pages 19 - 21 of this report.

Long-term Debt

As of September 30, 2023, the Agency had a total outstanding debt of $181,371, related to operating lease recognized in accordance with GASB 87. The outstanding debt is summarized below:

	Outstanding Debt - Governmental Activities		
	2023	2022	Change
Governmental Activities			
Other liabilities:			
Right-to-use operating lease obligation	$ 181,371	$ 215,918 *	$ (34,547)
Total other liabilities	$ 181,371	$ 215,918	$ (34,547)

* Beginning balance was restated October 1, 2022, with the implementation of GASB 87, Leases.

Additional information on the Agency's operating lease debt can be found in Note 4 on pages 21-22 .

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Agency's Board approved the 2022-2023 budget in the amount of $22,460,620 which included an increase of gross budgeted final year-end carryover of $6,461,453. Tax increment revenue projections were based upon actual values from the County's Property Appraiser's Office and the City of North Miami. The Tax Increment Financing (TIF) increase was attributable to an increase in property valuations within the Agency's district. The Agency anticipates further TIF revenue growth in the coming years as perennial increases in property values continue and future redevelopment projects break ground.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Anna-Bo Emmanuel, Executive Director, 735 N.E. 125th Street Suite 100, North Miami Florida, 33161.

Basic Financial Statements

Government-wide Financial Statements

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 6,296,018
Due from other government	126,099
Other assets	41,878
Capital assets not being depreciated	219,354
Capital assets being depreciated, net	379,394
Total assets	7,062,743
LIABILITIES	
Accounts payable and accrued liabilities	748,051
Non-current liabilities:	
Due within one year	34,547
Due in more than one year	146,824
Total liabilities	929,422
NET POSITION	
Net investments in capital assets	598,748
Restricted for:	
Capital projects	5,534,573
Total net position	$ 6,133,321

See notes to the basic financial statements.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:				
General government	$ 2,667,505	$ -	$ 278,006	$ (2,389,499)
Community redevelopment	6,889,328	-	-	(6,889,328)
Total	$ 9,556,833	$ -	$ 278,006	$ (9,278,827)

General Revenue:	
Tax increment revenue	$ 15,847,069
Tax increment revenues refunded to taxing authorities (Note 5)	(6,235,760)
Tax increment revenue, net	9,611,309
Interest and other income	122,038
Total general revenues	9,733,347
Change in net position	454,520
Net position - beginning	5,678,801
Net position - ending	**$ 6,133,321**

See notes to the basic financial statements.

Fund Financial Statements

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	Special revenue	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 834,028	$ 5,461,990	$ 6,296,018
Due from other government	126,099	-	126,099
Other assets	41,878	-	41,878
Total assets	1,002,005	5,461,990	6,463,995
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and accrued liabilities	748,051	-	748,051
Total liabilities	748,051	-	748,051
FUND BALANCES:			
Assigned:			
Capital projects	-	6,724,715	6,724,715
Unassigned	253,954	(1,262,725)	(1,008,771)
Total fund balances	253,954	5,461,990	5,715,944
Total liabilities and fund balances	$ 1,002,005	$ 5,461,990	$ 6,463,995

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Total fund balance - governmental fund (above)	$ 5,715,944
because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.	598,748
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Lease obligations	(181,371)
Net position of governmental activities (page 13)	$ 6,133,321

See notes to the basic financial statements.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General	Special Revenue	Total Governmental Funds
REVENUES			
Tax increment revenue	$ 15,847,069	$ -	$ 15,847,069
Tax increment revenues refunded to taxing authorities (Note 5)	(6,235,760)	-	(6,235,760)
Tax increment revenues, net	9,611,309	-	9,611,309
Interest and other	122,038	-	122,038
Total revenues	9,733,347	-	9,733,347
EXPENDITURES			
General government	2,652,277	-	2,652,277
Capital outlay	215,918	-	215,918
Community redevelopment	-	6,889,331	6,889,331
Total expenditures	2,868,195	6,889,331	9,757,526
Excess (deficit) of revenues over expenditures	6,865,152	(6,889,331)	(24,179)
OTHER FINANCING SOURCES (USES)			
Lease liabilities issued	215,918	-	215,918
Transfers in	-	5,626,606	5,626,606
Transfers out	(5,626,606)	-	(5,626,606)
Total other financing sources (uses)	(5,410,688)	5,626,606	215,918
Net change in fund balances	1,454,464	(1,262,725)	191,739
Fund balances - beginning	(1,200,510)	6,724,715	5,524,205
Fund balances (deficits), ending	$ 253,954	$ 5,461,990	$ 5,715,944

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net change in fund balances - total governmental funds (above)		$ 191,739
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	-	
Less current year depreciation	(49,772)	
		(49,772)
Donation of land and buildings received		278,006
Issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal is an expenditure in the governmental funds. The issuance increases long-term liabilities while the repayment reduces long-term liabilities in the statement of net position:		
Principal paid on lease		34,547
Change in net position of governmental activities (page 13)		$ 454,520

Notes to the Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the North Miami Community Redevelopment Agency (the "Agency") is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should therefore be read in conjunction with the basic financial statements.

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

a. Financial Reporting Entity

The Agency is an independent government agency that was fully established in 2005 by the City of North Miami (the "City") and Miami-Dade County, under Chapter 163 of the Florida Statutes. The purpose of the Agency is to formulate a workable program for utilizing appropriate private and public resources to eliminate and prevent the development or spread of slum and blighted areas within the City. To achieve this mission, the Agency is charged with the responsibility of eliminating conditions of blight that exist within the City and helping to improve the quality of life by revitalizing the City's physical, economic, educational and social resources. The designated Community Redevelopment Area comprises some 3,250 acres, approximately 60% of the City.

The Community Redevelopment Agencies ("CRA") are a common governmental tool for redevelopment in the State of Florida, and operate on a budget generated by an increase in property taxes within the area. Once a CRA is established, a percentage of the increase in real property taxes goes to the CRA. This tax increment is used to finance the redevelopment projects outlined in the Community Redevelopment Plan. Thus, the principal mission of the Agency is the preservation or enlargement of the community redevelopment area's tax base from which taxing authorities receive tax revenues to carry out public initiatives that stimulate the rehabilitation or redevelopment of the community redevelopment area.

On July 20, 2005, the Agency entered into an Inter-Local Cooperation Agreement with the City and Miami-Dade County (the "County") effective September 1, 2005. Based on the cooperative agreement, the City and County collect tax increment revenues on behalf of the Agency. The tax increment revenues must be used in accordance with the approved budget, the Agency Plan, and the terms and conditions of the Inter-local Cooperation Agreement. On December 6, 2016, the Miami-Dade County Board of County Commissioners approved the 2016 Agency Plan Amendment and the Second Amendment of the Inter-local Cooperation Agreement, which, among other things, extended the life of the Agency to July 2044.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pursuant to the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Agency is considered a blended component unit of the City. The Agency has therefore been reported in the City's basic financial statements, as required. The Board of Commissioners of the Agency is comprised of the members of the City Council and the Mayor.

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the Agency's activities. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a specific function. Taxes and other items not properly included among program revenues are reported as general revenues. The Agency does not have any business-type activities. The effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

c. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Interest on invested funds is recognized when earned. Expenditures generally are recorded when a liability is incurred, as under the accrual accounting basis. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Compensated absences are accrued as a liability as benefits are earned by employees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Agency reports the following major governmental funds:

- The **General Fund** is the Agency's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund; and,

- The **Special Revenue Fund** accounts for the acquisition and/or construction of major capital assets facilities.

d. Use of Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

e. Capital Assets

Capital assets, which currently include lands, furniture and equipment, are reported in the governmental-type activities column in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than $1,000 and an estimated useful life of more than one year. Property and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Major outlays for capital assets and improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

Capital assets of the Agency are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Vehicles and other outdoor equipment	3-10
Computer equipment	3 - 4
Buildings and improvements	20-40

f. Cash and Cash Equivalents

The Agency's cash and cash equivalents include cash on hand, time and demand deposits and money market funds. Florida Statutes authorize the Agency officials to invest funds in United States Government obligations, guaranteed United States agency short-term issues, the State Treasurer's investment pool, Florida bank certificates of deposit, money market funds, repurchase agreements and the Florida League of Cities sponsored Florida Municipal Investment Trust ("FMIT").

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Nature and Purpose of Classifications of Fund Balance

Governmental funds financial statements report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by, a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or, b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Agency's Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the Agency's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are made by the Agency's management based on Commission direction. Non-spendable fund balances include amounts that cannot be spent because they are either, (a) not in spendable form or, (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

h. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Agency's management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets and the amortization of the right-of-use intangible (GASB 87). Although these estimates as well as others are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ with actual results.

i. Leases

The Agency is a lessee for noncancellable lease of building spaces. The Agency recognizes a lease liability and a right-to-use leased asset in the government-wide financial statements. At the commencement of a lease, the Agency measures the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is measured as the initial amount of the remaining lease liability, adjusted for lease payments made at lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or the lease period whichever is shorter. Key estimates and judgments related to leases include how the Agency determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Agency uses its estimated incremental borrowing rate of 3.0% as the discount rate for leases.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly alter the amount of the lease liability.

Lease assets are reported under Capital Assets, and lease liabilities are reported under Long-Term Obligation on the statement of net position. Lease activity is included in Notes 3 and 4.

j. Impact of Recently Issued Accounting Pronouncements

Issued and Adopted Accounting Pronouncements

For the year ended September 30, 2023, the Agency adopted the following financial accounting standards issued by the GASB:

Accounting Standards Adopted

- GASB Statement No. 87, *Leases,* was issued in June 2017. This Statement improves the accounting and financial reporting for leases by governments. The adoption of this Statement resulted in a financial impact and additional disclosures for the Agency.

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. The adoption of this Statement resulted in no financial impact or additional disclosures for the Agency.

NOTE 2 – CASH AND CASH EQUIVALENTS

All deposits of the Agency are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security or Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or more than, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

NOTE 3 – CAPITAL ASSETS

Lands, previously classified as assets held for resale, related to three properties which were initially earmarked for development by the Agency. These properties were subsequently leased to Miami-Dade County in March 2009 for 30 years. The County used the properties for construction, operations and maintenance of the Miami-Dade Fire Rescue North Miami Station Number 18 and for performance work incidental thereto.

NOTE 3 – CAPITAL ASSETS (Continued)

At September 30, 2016, the properties were deemed to be impaired and were written down to their recoverable value of $133,748 and reclassified as capital assets.

At September 30, 2023, certain real estate properties were transferred from the City to the Agency. The Agency's investments in capital assets as of September 30, 2023, was as follows:

	Beginning Balance		Additions	Ending Balance
Capital assets not being depreciated:				
Land	$ 133,748	*	$ 85,606	$ 219,354
Total capital assets not being depreciated	133,748		85,606	219,354
Capital assets being depreciated:				-
Building - right-to-use	215,918		-	215,918
Building and improvements	-	*	192,400	192,400
Furniture and equipment	53,266		-	53,266
Total capital assets being depreciated	269,184		192,400	461,584
Less accumulated depreciation:				
Building - right-to-use	-		(39,862)	(39,862)
Building and improvements	-		(4,810)	(4,810)
Furniture and equipment	(32,418)		(5,100)	(37,518)
Total accumulated depreciation	(32,418)		(49,772)	(82,190)
Total capital assets being depreciated, net	236,766		142,628	379,394
Capital assets, net	$ 370,514		$ 228,234	$ 598,748

* Land and buildings transferred to the Agency from the City of North Miami

Depreciation expense was adjusted in the current year and the net amount charged to function/program was $49,772

NOTE 4 – LEASE OBLIGATION

Operating Lease

North Miami CRA entered into a lease agreement for its office location on October 12, 2021. The term of the lease was for 7 years with the rental payment increasing by 3% on the anniversary of

the lease. To comply with the provisions of GASB 87, the Agency recorded an adjusting entry to record the liability for the lease commitment for the remaining 48 months of the lease.

NOTE 4 – LEASE OBLIGATION (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Other liabilities:					
Right-to-use operating lease obligation *	215,918 *	-	(34,547)	181,371	34,547
Total other liabilities	215,918	-	(34,547)	181,371	34,547

* Beginning balance was restated October 1, 2022, with the implementation of GASB 87, Leases.

The future minimum lease payments are as follows:

Fiscal years ending September 30:	Principal
2024	$ 34,547
2025	34,547
2026	34,547
2027	34,547
2028	45,915
Total minimum lease payments	184,103
Less amount representing interest	(2,732)
Present value of minimum lease payments	$ 181,371

NOTE 5 – RELATED PARTY TRANSACTIONS

As of September 30, 2023, the Agency had an outstanding balance due to the City of North Miami for reimbursement of expenditures totaling $5,261, which is included in accounts payable and accrued liabilities.

NOTE 6 – TAX INCREMENT REVENUE

The Agency's primary source of revenues is the tax increment funds received through the City and the County. This revenue is computed by multiplying the operating tax rate for the City and the County by the increased value of property located within the boundaries of the redevelopment area of the Agency, over the base property value, less five percent (administrative fee). Both the City and the County are required to fund the Agency on an annual basis with this amount without regard to tax collections or other obligations.

In accordance with the Inter-Local Cooperation Agreement, the Agency is required to provide an annual refund to the City and County equal to the amount of tax the increment revenues generated

NOTE 6 – TAX INCREMENT REVENUE (Continued)

by the redevelopment area, other than properties to the east of Biscayne Boulevard, and not necessary to pay debt services and related bond payments. In addition, the City is required to contribute an amount equal to its refunded amount back to the Agency in support of the redevelopment activities including the bonds debt service and related payments. In fiscal year 2023, the Agency refunded $6,235,760 to the taxing authorities ($5,220,822 to the County and $1,124,938 to the City).

NOTE 7 – INTERFUND TRANSFERS

During the fiscal year 2023, interfund transfers comprised of the General Fund transfers of $5,626,606 to the Special Revenue Fund to cover community redevelopment costs and other on-going capital projects.

NOTE 8 – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to worker's compensation, general liability, theft, errors, and omissions. The Agency is covered for such risks under the Florida Municipal Insurance Trust.

There were no settlements that exceeded the insurance coverage during the fiscal year 2023. In addition, the Agency employees have the option to participate in the City's health, dental, life and disability insurance plans. Under an agreement with the City, the Agency reimburses the City quarterly for the participating employees.

NOTE 9 – SUBSEQUENT EVENTS

The Agency's management has evaluated subsequent events through February 29, 2024, the date which the financial statements were available for issue.

Required Supplementary Information

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
UNAUDITED
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			
	Original	Final	Actual results - budgetary basis	Variance with final budget - positive (negative)
Revenues:				
Tax increment revenue	$ 15,981,015	$ 15,847,069	$ 15,847,069	$ -
Return of tax increment revenues refunded to taxing authorities	-	-	(6,235,760)	(6,235,760)
Tax increment revenues, net	15,981,015	15,847,069	9,611,309	(6,235,760)
Interest and other	152,099	152,098	122,038	(30,060)
Carry over surplus	6,461,453	6,461,453	-	(6,461,453)
Total revenues	22,594,567	22,460,620	9,733,347	(12,727,273)
Expenditures:				
General government	3,010,759	2,643,213	2,652,277	(9,064)
Return of tax increment revenues refunded to taxing authorities	6,251,256	6,235,760	-	6,235,760
Capital outlay	-	-	215,918	(215,918)
Community redevelopment:				
Capital Projects Infrastructure	6,809,372	6,809,372	4,556,646	2,252,726
Capital Projects Grants	6,523,180	6,772,275	2,332,685	4,439,590
Total expenditures	22,594,567	22,460,620	9,757,526	12,703,094
Excess of revenues over expenditures	-	-	(24,179)	(24,179)
OTHER FINANCING SOURCES (USES)				
Lease liabilities issued	-	-	215,918	215,918
Total other financing sources (uses)	-	-	215,918	215,918
Net change in fund balances	$ -	$ -	**191,739**	
Fund balances - beginning			5,524,205	
Fund balances - ending			**$ 5,715,944**	

See note to budgetary comparison schedule.

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of North Miami, Florida)
NOTES TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

Budgets for the general fund are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). Pursuant to the By-Laws of North Miami Community Redevelopment Agency, as adopted on November 1, 2005, and revised on November 14, 2023, the Executive Director must prepare an annual budget and work program for approval by the Board of Commissioners for each fiscal year, and such other budgets as the Commissioners may determine. The Agency is not authorized to expend any monies other than those authorized in the budget except that Commissioners shall amend the budget from time to time as may be necessary. As agreed to in the Interlocal Cooperation Agreement with the County and the City, the County must approve the Agency's annual budget prior to expenditures of any funds contributed by the City or the County, except for the payment of debt service and related payments for which tax increment financing ("TIF") revenues have been pledged. Further, without such approval, all required agency costs must be funded through City advances or other eligible sources and not from the TIF fund revenues.

A draft of the annual budget is prepared, approved by the Board of Commissioners and submitted to the County no later than 10 days prior to the beginning of the fiscal year. Should changes in the millage rates require modification of the budget, the budget must be revised and made final, and submitted to the County on or before the 15th day of the beginning of the fiscal year. The budget is then legally enacted through the passage of a resolution. The legal level of control, the level at which expenditures may not exceed the budget, is at the fund level.

There were three amendments to the budget for the fiscal year ended September 30, 2023. The first was due to the City's millage rate change, the second was to correct the carryover amount, and the last was the end of year amendment.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners of
The North Miami Community Redevelopment Agency
North Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the North Miami Community Redevelopment Agency (the "Agency"), a component unit of the City of North Miami, Florida, (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated February 29, 2024.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

February 29, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES

To the Board of Commissioners of
The North Miami Community Redevelopment Agency
North Miami, Florida

We have audited the financial statements of the North Miami Community Redevelopment Agency (the "Agency"), a component unit of the City of North Miami, Florida (the "City") as of and for the year ended September 30, 2023, and have issued our report thereon dated February 29, 2024.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, Schedule of Findings and Questioned Costs; the Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General, and the management letter in accordance with the rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated February 29, 2024, should be considered in conjunction with this report.

Local Government Investment Policies
We have examined the Agency's compliance with the requirements of Section 218.415, Florida Statutes, regarding the investment of public funds and Sections 163.387(6) and (7), Florida Statutes, regarding community redevelopment agencies, during the year ended September 30, 2023. Management is responsible for Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on out judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023. This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
February 29, 2024

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Commissioners of
The North Miami Community Redevelopment Agency
North Miami, Florida

Report on the Financial Statements

We have audited the financial statements of the North Miami Community Redevelopment Agency (the Agency) a component unit of the City of North Miami, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 29, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated February 29, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no such findings identified.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The pertinent details of the Agency are disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the *Agency has* met one or more of the conditions described in Section 218.503(1), Florida Statutes,

and to identify the specific condition(s) met. In connection with our audit, we determined that the *Agency* did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Status, and Section 10.554(1)(i)6., Rules of the Auditor General, The Agency reported:

a. The total number of district employees compensated in the last period of the district's fiscal year as - six (6).
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as - five (5).
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $943,849.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $1,114,964.
e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as - $0.00 (provide list).
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported is the district amends a final adopted budget under Section 189.016(6), Florida Status, as $21,514,983 vs. $21,599,1789 resulting in an unfavorable variance of $84,196.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, pass-through entities, the City, members of the City Council, and applicable and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
February 29, 2024